

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE NEGOTIATED SALE OF \$\_\_\_\_\_ LEON COUNTY, FLORIDA CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2003A AND \$\_\_\_\_\_ LEON COUNTY, FLORIDA TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2003B; AWARDING THE SALE THEREOF TO A.G. EDWRADS & SONS, INC. AND JACKSON SECURITIES LLC. SUBJECT TO THE TERMS AND CONDITIONS OF A BOND PURCHASE CONTRACT; APPOINTING A REGISTRAR AND PAYING AGENT; AUTHORIZING THE PURCHASE OF BOND INSURANCE; AUTHORIZING THE PURCHASE OF A DEBT SURETY BOND FOR THE RESERVE FUND AND THE EXECUTION AND DELIVERY OF A DEBT SERVICE RESERVE FUND POLICY AGREEMENT; AUTHORIZING THE EXECUTION OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Issuer has caused to be published the title of Ordinance No. 03-12 which was enacted by the Board of County Commissioners of the Issuer (the "2003 Ordinance") at a duly noticed meeting of April 29, 2003, which the 2003 Ordinance and the Ordinance No. 98-02 (the "Original Ordinance") authorized the issuance of Leon County, Florida Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and Leon County, Florida Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds") in the aggregate principal amount of \$21,000,000. The proceeds of the Series 2003A Bonds will finance the cost of acquisition of a building to be owned by the Issuer, commonly known as the Bank of America building, construction of improvements to such building, construction of improvements to the Issuer's courthouse, parking garage and other capital projects permitted by law and the proceeds of the Series 2003B Bonds will finance the cost of acquisition of a building to be owned by the Issuer, commonly known as the Bank of America building, construction of improvements to such building and other capital projects permitted by law; and

**WHEREAS**, all capitalized undefined terms used herein shall have the meaning set forth in the Original Ordinance and the 2003 Ordinance (collectively referred to as the "Ordinance"); and

**WHEREAS**, the Issuer now desires to sell its Series 2003A Bonds and Series 2003B Bonds pursuant to the Bond Purchase Contract attached hereto as Exhibit "A" and in furtherance thereof to appoint a Registrar and Paying Agent; authorize the purchase of bond insurance and authorize the purchase of a surety bond for the Reserve Fund; and

**WHEREAS**, the Issuer has been or will be provided all applicable disclosure information required by Section 218.385(6), Florida Statutes;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA:**

**SECTION 1. Definitions.**

“Bond Insurance Policy” shall mean the municipal bond new insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Series 2003A Bonds and Series 2003B Bonds.

“Bond Insurer” shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

“Permitted Investments” shall mean:

1. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“U.S. Government Securities”).
2. Direct obligations\* of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:
  - (a) Export-Import Bank of the United States — Direct obligations and fully guaranteed certificates of beneficial interest
  - (b) Federal Housing Administration — debentures
  - (c) General Services Administration — participation certificates
  - (d) Government National Mortgage Association (“GNMAs”) — guaranteed mortgage-backed securities and guaranteed participation certificates
  - (e) Small Business Administration guaranteed participation certificates and guaranteed pool certificates
  - (f) U.S. Department of Housing & Urban Development — local authority bonds
  - (g) U.S. Maritime Administration — guaranteed Title XI financings
  - (h) Washington Metropolitan Area Transit Authority — guaranteed transit bonds
3. Direct obligations\* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:
  - (a) Federal National Mortgage Association (“FNMA”) — senior debt obligations rated Aaa by Moody’s Investors Service (“Moody’s”) and AAA by Standard & Poor’s Ratings Services (“S&P”)
  - (b) Federal Home Loan Mortgage Corporation (“FHLMCs”) — participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by S&P
  - (c) Federal Home Loan Banks — consolidated debt obligations
  - (d) Student Loan Marketing Association — debt obligations
  - (e) Resolution Funding Corporation — debt obligations

\*The following are explicitly excluded from the securities enumerated in 2 and 3:

- (i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar

- (iv) amount at maturity or call date; and  
Collateralized Mortgage-Backed Obligations ("CMOs").

4. Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.
5. Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.
6. Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.
7. Certificates of deposit, deposit accounts, federal funds or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).
8. Investments in money-market funds rated AAAM or AAAM-G by S&P.
9. State-sponsored investment pools rated AA- or better by S&P.
10. Repurchase agreements that meet the following criteria:
  - (a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.
  - (b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.
  - (c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn or fall below A3 or P-i from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.
  - (d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, ENMA or FHLMC described in 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral

level of at least 104% for U.S. Government Securities and 105% for GNMA's, FNMA's or FHLMC's. The repurchase agreement shall require (i) the Trustee or the Agent to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.

- (e) The repurchase securities shall be delivered free and clear of any lien to the bond trustee (herein, the "Trustee") or to an independent third party acting solely as agent ("Agent") for the Trustee, and such Agent is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.
  - (f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the issuer and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.
  - (g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.
  - (h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless Financial Guaranty directs otherwise:
    - (i) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
    - (ii) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under item 10(d) above; or
    - (iii) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.
11. Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:
- (a) A master agreement or specific written investment agreement governs the transaction.
  - (b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.
  - (c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured and unguaranteed rating of A1 or better by Moody's and A-I- or

better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in 11(f) below.

- (d) The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.
- (e) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.
- (f) The investment agreement shall provide for the delivery of collateral described in (i) or (ii) below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:
  - (i) U.S. Government Securities at 104% of principal plus accrued interest; or
  - (ii) Obligations of GNMA, FNMA or FHLMC (described in 2(d), 3(a) and 3(b) above) at 105% of principal and accrued interest.
- (g) The investment agreement shall require the Trustee or Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:
  - (i) the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal or Reuters;
  - (ii) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
  - (iii) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.
- (h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Trustee or the Agent.
- (i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under 11(f) above, the Trustee and Financial Guaranty shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

- (j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee or other penalty, upon not more than two (2) business days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:
- (i) In the event of a deficiency in the debt service account;
  - (ii) Upon acceleration after an event of default;
  - (iii) Upon refunding of the bonds in whole or in part;
  - (iv) Reduction of the debt service reserve requirement for the bonds; or
  - (v) If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.
- Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the issuer's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the bonds and to make deposits to the debt service reserve fund.
- (k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:
- (i) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times or in the amounts described above;
  - (ii) Insolvency of the provider or the guarantor (if any) under the investment agreement;
  - (iii) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
  - (iv) Failure by the provider to make a payment or observe any covenant under the agreement;
  - (v) The guaranty (if any) is terminated, repudiated or challenged; or
  - (vi) Any representation of warranty furnished to the Trustee or the issuer in connection with the agreement is false or misleading.
- (l) The investment agreement must incorporate the following general criteria:
- (i) "Cure periods" for payment default shall not exceed two (2) business days;
  - (ii) The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee or Financial Guaranty;
  - (iii) Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of Financial Guaranty;
  - (iv) If the investment agreement is for a debt service reserve fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate.
  - (v) The provider shall be required to immediately notify Financial Guaranty and the Trustee of any event of default or any suspension, withdrawal or

- downgrade of the provider's ratings;
  - (vi) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim;
  - (vii) The agreement shall require the provider to submit information reasonably requested by Financial Guaranty, including balance invested with the provider, type and market value of collateral and other pertinent information.
- 12. Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:
  - (a) A specific written investment agreement governs the transaction.
  - (b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-i or better by Moody's and A-/A-i or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-i or better by Moody's and A-/A-i or better by S&P; and (iii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.
  - (c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn or fall below A3 or P-i from Moody's or A- or A-i from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.
  - (d) Permitted securities shall include the investments listed in 1, 2 and 3 above.
  - (e) The forward delivery agreement shall include the following provisions:
    - (i) The permitted securities must mature at least one (1) business day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.
    - (ii) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.
    - (iii) Any breakage fees shall be payable only on debt service payment dates and shall be subordinated to the payment of debt service and debt service reserve fund replenishments.
    - (iv) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency or receivership of the provider, the securities will not be considered to be a part of the provider's estate, and otherwise acceptable to Financial Guaranty.

- (v) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of Financial Guaranty.
- 13. Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty or other hedging arrangement, only with the prior written consent of Financial Guaranty.
- 14. Maturity of investments shall be governed by the following:
  - (a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
  - (b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
  - (c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.

Such investments shall be valued by the Paying Agent as frequently as deemed necessary by the Bond Insurer, but not less often than annually, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

**SECTION 2.** Due to the complexity of the financing, the critical importance of the timing of the sale of the Series 2003A Bonds and the Series 2003B Bonds and the willingness of A.G. Edwards & Sons, Inc. and Jackson Securities LLC (the "Underwriters") to purchase \$ \_\_\_\_\_ principal amount of Leon County, Florida Capital Improvement Revenue Bonds, Series 2003A and \$ \_\_\_\_\_ principal amount of Leon County, Florida Taxable Capital Improvement Revenue Bonds, Series 2003B, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Series 2003A Bonds and Series 2003B Bonds at a negotiated sale, and such sale to the Underwriters is hereby authorized and approved.

**SECTION 3.** The Series 2003A Bonds and Series 2003B Bonds are hereby sold to the Underwriters, upon the terms and conditions set forth in the Bond Purchase Contract attached hereto as Exhibit "A" and incorporated herein by reference. The Chairman or Vice Chairman of the Board of County Commissioners of Leon County, Florida is hereby authorized to execute and the Clerk or Deputy Clerk of the Circuit Court is hereby authorized to attest such Bond Purchase Contract.

**SECTION 4.** The Series 2003A Bonds and Series 2003B Bonds shall be dated June 6, 2003, shall bear interest at the rates, shall mature in the years and amounts, shall be issued in such amounts as Serial and Term Bonds, and shall be subject to redemption, all as set forth in the Bond Purchase Contract.



**SECTION 5.** The Series 2003A Bonds and Series 2003 B Bonds shall be issued under and secured by the Ordinance and shall be executed and delivered by the Chairman or Vice Chairman of the Board of County Commissioners of Leon County, Florida, and attested by the Clerk or Deputy Clerk of the Circuit Court in substantially the form set forth in the Ordinance, with such additional changes and insertions therein as conform to the provisions of the Bond Purchase Contract, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

**SECTION 6.** Wachovia Bank, National Association (the "Registrar and Paying Agent"), is hereby appointed to serve as Registrar and Paying Agent for the Series 2003A Bonds and 2003B Bonds. The Registrar and Paying Agent shall act as agent for the Issuer and shall pay principal and interest of the Series 2003A Bonds and Series 2003B Bonds in accordance with the Ordinance and this Resolution and in accordance with the laws of the State of Florida and the United States. The Registrar and Paying Agent shall require the Holders of the Bonds that are payable to surrender the same to the Registrar and Paying Agent before the same are paid, shall keep an account of all Series 2003A Bonds and 2003B Bonds paid and shall destroy the canceled Series 2003A Bonds and Series 2003B Bonds and furnish the Issuer a destruction certificate. All unclaimed interest and principal moneys held by the Paying Agent shall be returned to the Issuer six months prior to the date required to escheat such moneys to the State of Florida. It is hereby ratified and confirmed that Wachovia Bank, National Association shall serve as the Paying Agent and Registrar for the Series 2003A Bonds and Series 2003B Bonds.

**SECTION 7.** A Municipal Bond Insurance Policy to insure the holder of any Series 2003A Bond and Series 2003B Bond the scheduled payment of principal and interest on behalf of the Issuer is hereby authorized to be purchased from Financial Guaranty Insurance Company and payment for such Municipal Bond Insurance Policy is hereby authorized from Series 2003A Bond proceeds and Series 2003B Bond proceeds. A statement of insurance is hereby authorized to be printed on or attached to the Series 2003A Bonds and the Series 2003B Bonds for the benefit and information of the Bondholders.

As long as the bond insurance shall be in full force and effect, the Issuer and any Paying Agent agree to comply with the following provisions:

**Reserve Fund Requirements.** Any credit instrument provided in lieu of a cash deposit into the debt service reserve fund, other than one provided by the Bond Insurer, shall conform to the requirements set forth below.

The Issuer may satisfy the requirement (the "Reserve Fund Requirement") to deposit a specified amount in the Reserve Fund by the deposit of a surety bond, insurance policy or letter of credit as set forth below.

1. A surety bond or insurance policy issued to the entity serving as trustee or paying agent (the "Fiduciary"), as agent of the bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Series 2003A Bonds and Series 2003B Bonds (a "municipal bond insurer") may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the claims paying ability of the issuer thereof shall be rated

"AAA" or "Aaa" by S&P or Moody's, respectively.

2. A surety bond or insurance policy issued to the Fiduciary, as agent of the bondholders, by an entity other than a municipal bond insurer may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the form and substance of such instrument and the issuer thereof shall be approved by Financial Guaranty.
3. An unconditional irrevocable letter of credit issued to the Fiduciary, as agent of the bondholders, by a bank may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the Issuer and the Fiduciary, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.
4. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund together with any other qualifying credit instruments, to equal the Reserve Fund Requirement on all outstanding Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the Reserve Fund credit instrument is replaced by a Reserve Fund credit instrument meeting the requirements in any of 1-3 above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Authorizing Document shall, in turn, direct the Fiduciary to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded in its required amount.
5. The use of any Reserve Fund credit instrument pursuant to this paragraph shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to Financial Guaranty. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).
6. The obligation to reimburse the issuer of a Reserve Fund credit instrument for any fees, expenses, claims or draws upon such Reserve Fund credit instrument shall be subordinate to the payment of debt service on the Series 2003A Bonds and Series 2003B Bonds. The right of the issuer of a Reserve Fund credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a

parity with the cash replenishment of the Reserve Fund. The Reserve Fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund credit instrument and the amount then available for further draws or claims. If (a) the issuer of a Reserve Fund credit instrument becomes insolvent or (b) the issuer of a Reserve Fund credit instrument defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa" or (d) the rating of the issuer of the letter of credit falls below a S&P "AA", the obligation to reimburse the issuer of the Reserve Fund credit instrument shall be subordinate to the cash replenishment of the Reserve Fund.

7. If (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (b) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (c) the rating of the issuer of the letter of credit falls below a S&P "AA", the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit falls below "A" or (c) the issuer of the Reserve Fund credit instrument defaults in its payment obligations or (d) the issuer of the Reserve Fund credit instrument becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal to Reserve Fund Requirement on all outstanding Series 2003A Bonds and Series 2003B Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence.
8. Where applicable, the amount available for draws or claims under the Reserve Fund credit instrument may be reduced by the amount of cash or permitted investments deposited in the Reserve Fund pursuant to clause (i) of the preceding subparagraph 6.
9. If the Issuer chooses the above described alternatives to a cash-funded Reserve Fund, any amounts owed by the Issuer to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Ordinance for any purpose, e.g., rate covenant or additional bonds test.
10. The Fiduciary shall ascertain the necessity for a claim or draw upon the Reserve Fund credit instrument and to provide notice to the issuer of the Reserve Fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Fund credit instrument) prior to each interest payment date.
11. Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash

shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund credit instrument. If and to the extent that more than one Reserve Fund credit instrument is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Default-Related Provisions.

- (a) The Paying Agent shall, to the extent there are no other available funds held under the Ordinance, use the remaining funds in the construction fund to pay principal of or interest on the Series 2003A Bonds and Series 2003B Bonds in the event of a payment default.
- (b) In determining whether a payment default has occurred or whether a payment on the Bonds has been made under the authorizing document(s), no effect shall be given to payments made under the Bond Insurance Policy.
- (c) Any acceleration of the Series 2003A Bonds and Series 2003B Bonds or any annulment thereof shall be subject to the prior written consent of the Bond Insurer (if it has not failed to comply with its payment obligations under the Bond Insurance Policy).
- (d) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Paying Agent or the Issuer within 30 days of the Paying Agent's or the Issuer's knowledge thereof.
- (e) For all purposes of the provisions in the Ordinance governing events of default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole holder of the Series 2003A Bonds and Series 2003B Bonds it has insured for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.
- (f) The Bond Insurer shall be included as a party in interest and as a party entitled to (i) notify the Issuer, the Paying Agent, or any applicable receiver of the occurrence of an event of default and (ii) request the Paying Agent or receiver to intervene in judicial proceedings that affect the Series 2003A Bonds and Series 2003B Bonds or the security therefor. The Paying Agent or receiver shall be required to accept notice of default from the Bond Insurer.

Amendments and Supplements. Any amendment or supplement to the Ordinance or this Resolution or any other principal financing documents shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the Series 2003A Bonds and Series 2003B Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

Successor Paying Agents, etc. No resignation or removal of the Paying Agent or Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Registrar, as applicable. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent or Registrar and the appointment of any successor thereto.

Defeasance Provisions. Only cash, direct non-callable obligations of the United States of America

and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing) shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves. In the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.

Variable Rate Indebtedness.

- (a) For purposes of calculating the Reserve Fund Requirement, variable rate indebtedness shall be assumed to bear interest at (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published), or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities. For all other purposes, including the additional bonds test, variable rate indebtedness shall be assumed to bear interest at the maximum permissible rate.
- (b) In the case of variable rate issues in which financial covenants are based on the synthetic fixed rate under a swap, utilization of the synthetic fixed rate under a Swap for purposes of performing any required calculations under the applicable legal documentation shall be permitted only if such documentation and the applicable Swap satisfy the requirements of the Bond Insurer.

Reporting Requirements. The Bond Insurer shall be provided with the following information:

- (a) Notice of any drawing upon or deficiency due to market fluctuation in the amount, if any, on deposit, in the Reserve Fund;
- (b) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Series 2003A Bonds or Series 2003B Bonds, or of any advance refunding of the Series 2003A Bonds or Series 2003B Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (c) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934; and
- (d) Such additional information as the Bond Insurer may reasonably request from time to time.

Notice Addresses. The notice addresses for the Bond Insurer and the Fiscal Agent are as follows: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention:

Risk Management; and U.S. Bank Trust National Association, 100 Wall Street, 19<sup>th</sup> Floor, New York, New York 10005, Attention: Corporate Trust Department.

**SECTION 8.** A surety bond for the Series 2003A Bonds and Series 2003 Bonds, together with other amounts on deposit or other credit instruments on deposit therein, equal to the Reserve Requirement is hereby authorized to be purchased from Financial Guaranty Insurance Company and payment for such surety bond is hereby authorized from Bond proceeds of the Series 2003A Bonds and Series 2003B Bonds. In furtherance thereof, the Issuer is hereby authorized to enter into a Debt Service Reserve Fund Policy Agreement for the Series 2003A Bonds and Series 2003B Bonds (the "Reserve Fund Agreement") with Financial Guaranty Insurance Company and the Chairman or Vice Chairman are hereby authorized to execute and deliver and the Clerk or Deputy Clerk are hereby authorized to attest such Reserve Fund Agreement in substantially the form attached hereto as Exhibit "B" with such changes, insertions and omissions as shall be made by the officers of the Issuer executing the same, with execution thereof being conclusive evidence of such approval.

As long as the Surety Bond shall be in full force and effect, the Issuer and Paying Agent agree to comply with the following provisions:

- (a) The Issuer's repayment of any draws under the Reserve Policy and related reasonable expenses incurred by Financial Guaranty (together with interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law) shall enjoy the same priority as the obligation to maintain and refill the Reserve Fund. Repayment of draws, expenses and accrued interest (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. If and to the extent that cash has also been deposited in the Reserve Fund, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing under the Reserve Policy, and repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. If in addition to the Reserve Policy, any other Reserve Fund substitute instrument ("Additional Reserve Policy") is provided, drawings under the Reserve Policy and any such Additional Reserve Policy, and repayment of Policy Costs and reimbursement of amounts due under the Additional Reserve Policy, shall be made on a pro rata basis (calculated by reference to the Maximum Amounts available thereunder) after applying all available cash in the Reserve Fund and prior to replenishment of any such cash draws, respectively.
- (b) If the Issuer shall fail to repay any Policy Costs in accordance with the requirements of paragraph (a) above, Financial Guaranty shall be entitled to exercise any and all remedies available at law or under the authorizing document other than (i) acceleration of the maturity of the Series 2003A Bonds or Series 2003B Bonds or (ii) remedies which would adversely affect Bondholders.
- (c) The Ordinance and this Resolution shall not be discharged until all Policy Costs owing to Financial Guaranty shall have been paid in full.
- (d) As security for the Issuer's repayment obligations with respect to the Reserve Policy,

to the extent that the Ordinance pledges or grants a security interest in any revenues or collateral of the Issuer (or other obligor) as security for the Series 2003A Bonds and Series 2003B Bonds, Financial Guaranty shall be granted a security interest in all such revenues and collateral, subordinate only to that of the Bondholders.

- (e) The additional bonds test shall also provide for at least one times coverage of the Issuer's obligations with respect to repayment of Policy Costs then due and owing. Furthermore, no Additional Parity Obligations may be issued without Financial Guaranty's prior written consent if any Policy Costs are past due and owing to Financial Guaranty. Upon the issuance of Additional Parity Obligations secured by the Reserve Fund, such Reserve Fund shall be fully funded (at the Reserve Requirement) upon the issuance of such Additional Parity Obligations, either with cash or permitted investments or by a reserve fund credit instrument acceptable to Financial Guaranty.
- (f) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy and to provide notice to Financial Guaranty in accordance with the terms of the Reserve Policy at least two business days prior to each interest payment date.
- (g) The Ordinance or this Resolution shall not be modified or amended without the prior written consent of Financial Guaranty.
- (h) Financial Guaranty shall be provided with written notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto and of the issuance of Additional Parity Obligations of the Issuer at 125 Park Avenue, New York, New York 10017, Attention: Risk Management.
- (i) The Reserve Policy shall terminate on the scheduled final maturity date of the Series 2003A Bonds and Series 2003B Bonds outstanding as of the issuance date of the Reserve Policy that are secured by the Reserve Fund.

**SECTION 9.** Amounts on deposit in the Revenue Fund and the Debt Service Fund may only be invested in investments that constitute Permitted Investments hereunder and also constitute Federal Securities under the terms of the Ordinance.

**SECTION 10.** The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement (referred to in the Ordinance as the "Continuing Disclosure Certificate"). Such Disclosure Dissemination Agent Agreement shall be in such form as attached hereto as Exhibit "C". Notwithstanding any other provision of the Ordinance or this Resolution, failure of the Issuer to comply with the Disclosure Dissemination Agent Agreement will not be considered an event of default; however any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section. Series 2003A Bondholders and Series 2003B Bondholders shall not be entitled to any damages for failure of the Issuer to comply with the terms of the Disclosure Dissemination Agent Agreement.

**SECTION 11.** All prior resolutions or other actions of the issuer inconsistent with the provisions of the Resolution are hereby modified, supplemented and amended to conform with the

**DRAFT**

Attachment # 1  
Page 16 of 60

provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

**SECTION 12.** The Chairman or Vice Chairman and the Clerk or Deputy Clerk of the Circuit Court or any other appropriate members of the Board of County Commissioners of Leon County, Florida, or officers or representatives of the Issuer are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Ordinance, the Bond Purchase Contract, the Guaranty Agreement, this Resolution or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds and any such representation made therein shall be deemed to be made on behalf of the Issuer. All action taken to date by the officers of the Issuer in furtherance of the issuance of the Series 2003A Bonds and Series 2003B Bonds is hereby approved, confirmed and ratified.

**SECTION 13.** This Resolution shall take effect immediately upon adoption.

**DULY PASSED AND ADOPTED** by the Board of County Commissioners of Leon County, Florida on this \_\_\_\_\_ day of May, 2003.

**BOARD OF COUNTY COMMISSIONERS OF  
LEON COUNTY, FLORIDA**

By: \_\_\_\_\_  
**CHAIRMAN**

**ATTESTED BY:**

**BOB INZER, CLERK OF THE COURT**

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

**COUNTY ATTORNEY'S OFFICE  
LEON COUNTY, FLORIDA**

BY: \_\_\_\_\_  
**HERBERT W.A. THIELE, ESQ.  
COUNTY ATTORNEY**



**DRAFT**

Attachment # 1  
Page 17 of 60

Exhibit "A"

Bond Purchase Contract

DRAFT

Attachment # 1

Page 18 of 60

\$ \_\_\_\_\_  
**LEON COUNTY, FLORIDA**  
**CAPITAL IMPROVEMENT REVENUE BONDS**  
**SERIES 2003A**

\$ \_\_\_\_\_  
**LEON COUNTY, FLORIDA**  
**TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS**  
**SERIES 2003B**

June \_\_, 2003

**PURCHASE CONTRACT**

Board of County Commissioners  
of Leon County, Florida  
301 S. Monroe Street  
Tallahassee, Florida 32301

Ladies and Gentlemen:

The undersigned, on behalf of itself and Jackson Securities, LLC (collectively, the "Underwriters") offer to enter into this Purchase Contract with Leon County, Florida (the "County"). This offer is made subject to written acceptance hereof by the County at or before 6:00 p.m., prevailing Eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the County at any time prior to the acceptance hereof by the County.

**1. Purchase and Sale.** Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and the \$ \_\_\_\_\_ aggregate principal amount of Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds," collectively with the Series 2003A Bonds, the "Series 2003 Bonds"). The Series 2003 Bonds shall be dated as of June 1, 2003, and shall be payable in the years and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. The purchase price for the Series 2003 Bonds shall be \$ \_\_\_\_\_ (representing the par amount of the Series 2003 Bonds, less an original issue discount of \$ \_\_\_\_\_ and an underwriter's discount of \$ \_\_\_\_\_), plus accrued interest from June 1, 2003 to the date of delivery of the Series 2003 Bonds.

The statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

The Series 2003 Bonds shall be as described in, and shall be issued and secured under the provisions of Ordinance No. \_\_\_\_\_, enacted by the County on April 29, 2003, as may be further supplemented and amended from time to time (collectively, the "Ordinance").

**2. Delivery of Official Statement and Other Documents.**

(a) Prior to the date hereof, you have provided to the Underwriters for their review the Preliminary Official Statement dated \_\_\_\_\_, 2003 (the "Preliminary Official Statement"). The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract. The County hereby deems the Preliminary Official Statement final as of its date, except for the permitted omissions, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the pricing of the Series 2003 Bonds.

(b) The County shall deliver, or cause to be delivered, at its expense, to the Underwriters within seven (7) business days after the date hereof or within such shorter period as may be requested by the Underwriters in order to accompany any confirmation that requests payment from any customer (i) sufficient copies of the final printed Official Statement dated \_\_\_\_\_, 2003 (the "Official Statement") to enable the Underwriters to fulfill their obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriters and (ii) executed original counterparts or certified copies of the Official Statement and the Ordinance. In determining whether the number of copies to be delivered by the County is reasonably necessary, at a minimum the number shall be sufficient to enable the Underwriters to comply with the requirements of Rule 15c2-12, all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and to fulfill its duties and responsibilities under Florida and Federal securities laws generally.

The Underwriters agree to file the final Official Statement with a Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which has been so designated by the Securities and Exchange Commission pursuant to Rule 15c2-12 and with the MSRB (accompanied by a completed Form G-36) not later than two (2) business days after the Closing, and will furnish to the County a list of the names and addresses of each such NRMSIR receiving a copy. The filing of the Official Statement with each such NRMSIR shall be in accordance with the terms and conditions applicable to such NRMSIR.

The County authorizes the use and distribution of the Official Statement in connection with the public offering and sale of the Series 2003 Bonds. The Underwriters agree that they will not confirm the sale of any Series 2003 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. Unless otherwise notified in writing by the Underwriters on or prior to the date of Closing, the County can assume that the "end of the underwriting period" for the Series 2003 Bonds for all purposes of Rule 15c2-12 is the date of the Closing. In the event notice to the contrary is given in writing by the Underwriters, the Underwriters shall thereafter notify the County in writing following the occurrence of the "end of the underwriting period" for the Series 2003 Bonds as defined in Rule

15c2-12. The "end of the underwriting period" for the Series 2003 Bonds as used in this Purchase Contract shall mean the date of Closing or such later date as to which notice is given by the Underwriters in accordance with the preceding sentence.

(c) From the date hereof to and including the date which is twenty-five days from the "end of the underwriting period", if there shall exist any event which, in the opinion of the Underwriters or in the opinion of the County, requires a supplement or amendment to the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the County will supplement or amend the Official Statement in a form and in a manner approved by the Underwriters and the County. The County will promptly notify the Underwriters of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2003 Bonds are hereinafter included within the term "Official Statement."

3. **Authority of the Representative.** A.G. Edwards & Sons, Inc. (the "Representative"), as representative of the Underwriters, has been duly authorized to execute this Purchase Contract and has been duly authorized to act hereunder.

4. **Public Offering.** The Underwriters agree to make a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2003 Bonds at not in excess of the initial public offering price or prices (or below the yields) set forth on the cover page of the Official Statement plus accrued interest, if any, thereon from the date of the Series 2003 Bonds. If such public offering does not result in the sale of all the Series 2003 Bonds, the Underwriters may offer and sell the Series 2003 Bonds to certain bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices not set forth on the cover page of the Official Statement.

The Underwriters do hereby certify that at the time of the execution of this Purchase Contract, based upon prevailing market conditions, they do not have any reason to believe that any of the Series 2003 Bonds will be initially sold to the public (excluding such bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices in excess of the prices, or yields below the yields, set forth on the cover page of the Official Statement, plus accrued interest, if any, on the Series 2003 Bonds from the date thereof. At the Closing the Underwriters shall deliver to the County a certificate in substantially the form attached as Exhibit C hereto, to the effect that (i) all of the Series 2003 Bonds have been the subject of an initial offering to the public as herein provided, and (ii) at least 10% of the Series 2003 Bonds of each maturity were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement, or in the case of discount obligations shown on a yield basis, at yields no lower than the respective yields shown on the cover of the Official Statement, and as to such other matters required in order to enable Bond Counsel to render its opinion as to the exclusion from gross income for Federal income tax purposes of interest on the Series 2003 Bonds.

**DRAFT**

The County hereby authorizes the Underwriters to use the forms or copies of the Ordinance and the Official Statement and the information contained therein in connection with the public offering and sale of the Series 2003 Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

**5. Good Faith Deposit.** The Underwriters have delivered herewith to the County a check for \_\_\_\_\_ and no/100 (\$ \_\_\_\_\_) Dollars payable to the order of the County. In the event you do not accept this offer, such check shall be immediately returned to the Underwriters. If the offer made hereby is accepted, the County agrees to hold this check uncashed until the Closing as security for the performance by the Underwriters of their obligations to accept and pay for the Series 2003 Bonds at the Closing, and, in the event of their compliance with such obligations, such check shall be returned to the Underwriters at the Closing. In the event of your failure (other than for a reason permitted hereunder) to deliver the Series 2003 Bonds at the Closing, or if you shall be unable to satisfy the conditions of the Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract (other than resulting from a failure to deliver the certificate required by Exhibit C hereto) such check shall be immediately returned to the Underwriters and such return shall constitute a full release and discharge of all claims by the Underwriters arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2003 Bonds at the Closing (as hereinafter defined), such check shall be retained by the County as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and such retention shall constitute a full release and discharge of all claims by the County against the Underwriters arising out of the transactions contemplated hereby.

**6. County Representations, Warranties, Covenants, and Agreements.** The County represents and warrants to and covenants and agrees with the Underwriters that, as of the date hereof and as of the date of the Closing:

(a) The County has the powers set forth under Chapter 125, Part I, Florida Statutes, as amended and supplemented (collectively, the "Act") and is a duly and validly existing political subdivision of the State of Florida, and has full legal right, power and authority to acquire, construct, operate, maintain, improve, finance and refinance the Project (as defined in the Ordinance) as contemplated by the Official Statement.

(b) The County has, or had on the date of execution, full legal right, power and authority to enter into this Purchase Contract, to enact the Ordinance and to issue, sell and deliver the Series 2003 Bonds to the Underwriters as provided herein; by official action of the County taken prior to or concurrently with the acceptance hereof, the County has duly enacted the Ordinance in accordance with the Act; the Ordinance is in full force and has not been amended, modified or rescinded; the County has duly authorized and approved the execution and delivery of, and the performance by the County of its obligations contained in, the Series 2003 Bonds and in the Continuing Disclosure Certificate, dated as of \_\_\_\_\_, 2003 (the "Continuing Disclosure Certificate") and this Purchase Contract; and the County has duly authorized and approved the performance by the County of its obligations contained in the Ordinance and the consummation by it of all other transactions contemplated by the Ordinance, the Official Statement and this

Purchase Contract to have been performed or consummated at or prior to the date of Closing, and the County is in compliance with the provisions of the Ordinance.

(c) Except as disclosed by the Official Statement, the County is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such law, regulation, or instrument, in any such case to the extent that the same would have a material and adverse effect upon the business or properties or financial condition of the County; and the execution and delivery of the Series 2003 Bonds, this Purchase Contract and the Continuing Disclosure Certificate and the enactment of the Ordinance, and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a breach of or default under the Act, or under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the County under the terms of any such law, regulation, or instrument, except as provided or permitted by the Series 2003 Bonds and the Ordinance. The County has not been in default in the payment of either principal or interest on any obligations issued by it since 1975. The foregoing representation and warranty is given and made by the County in contemplation of Section 517.051(1), Florida Statutes.

(d) All approvals, consents and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the County or its obligations under this Purchase Contract, the Ordinance, the Continuing Disclosure Certificate and the Series 2003 Bonds have been, or prior to the Closing will have been, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2003 Bonds.

(e) The Series 2003 Bonds, when issued, authenticated, and delivered in accordance with the Ordinance and sold to the Underwriters as provided herein and in accordance with the provisions of the Ordinance, will be valid and legally enforceable obligations of the County in accordance with their terms and the terms of the Ordinance, and the Ordinance will provide, for the benefit of the holders from time to time of the Series 2003 Bonds, a legally valid and binding lien on and pledge of the Pledged Revenues as defined in and provided by the Ordinance, and on a subordinate basis to outstanding obligations of the County identified in the Official Statement.

(f) The Preliminary Official Statement was, as of the date thereof, and the Official Statement is and at all times subsequent hereto up to and including the date of the Closing will be, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in

the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Official Statement prepared and furnished by the County pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The Series 2003 Bonds and the Ordinance will conform in all material respects to the descriptions and forms thereof contained in the Official Statement as it is delivered in final form.

(h) Except as contemplated by the Official Statement, since the date of the most recent audited financial statements to the date of Closing, the County has not or will not have incurred any material liabilities, direct or contingent, or entered into any material transaction, not reflected in such audited financial statements, in any case other than in the ordinary course of its business, and during such period, except as set forth in the Official Statement, there has not or shall not have been any material adverse change in the condition, financial or physical, of the County or its properties or other assets.

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the best knowledge of the County, threatened, which may affect the corporate existence of the County or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2003 Bonds or the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Series 2003 Bonds, or which in any way contests or affects the validity or enforceability of the Series 2003 Bonds, the Ordinance, this Purchase Contract, the Continuing Disclosure Certificate, or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the County or contests the tax-exempt status of the interest on the Series 2003 Bonds as described in the Official Statement, or which contests in any way the completeness or accuracy of the Preliminary Official Statement of the Official Statement or which contests the power of the County or any authority or proceedings for the issuance, execution or delivery of this Purchase Contract nor, to the best knowledge of the County is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2003 Bonds, the Ordinance, the Continuing Disclosure Certificate or this Purchase Contract.

(j) The County will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2003 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Series 2003 Bonds for investment under the laws of such states and other jurisdictions and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2003 Bonds; provided that the County shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now so subject.

(k) The County will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without the consent of the Underwriter. The County will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2003 Bonds.

(l) The County makes the following representations and statements in order to comply with Section 218.385(2) and (3), Florida Statutes, by making the following truth-in-bonding statement. The County is proposing to issue \$\_\_\_\_\_ of its Series 2003 Bonds, its limited obligations, for the principal purposes of (i) paying the costs of certain capital improvements in and for the County; and (ii) paying certain costs incidental to the issuance of the Series 2003 Bonds. The above described obligations are expected to be repaid over a period of approximately \_\_\_\_\_ years. At a net interest cost of \_\_\_\_\_ % total interest paid over the life of the obligations will be \$\_\_\_\_\_. The sources of repayment for the Series 2003 Bonds are the Pledged Revenues.

7. **The Closing.** At 1:00 p.m. prevailing Eastern time, on June \_\_\_, 2003, or at such earlier or later time or date to which the County and the Underwriters may mutually agree, the County will, subject to the terms and conditions hereof, deliver the Series 2003 Bonds to the Underwriters in registered form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the aggregate purchase price of the Series 2003 Bonds as set forth in Paragraph 1 hereof in immediately available federal funds deposited and invested as directed by the County (such delivery of and payment for the Series 2003 Bonds is herein called the "Closing"). The County shall cause CUSIP identification numbers to be printed on the Series 2003 Bonds, but neither the failure to print such number on any Series 2003 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Series 2003 Bonds in accordance with the terms of this Purchase Contract. The Closing shall occur [at the offices of Bryant, Miller and Olive, P.A., Tallahassee, Florida,] or such other place to which the County and the Underwriters shall have mutually agreed. The Series 2003 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in the names of the registered owners thereof or such other names as are furnished by the Underwriters and shall be delivered to the Underwriters two business days prior to the Closing for purposes of inspection.

8. **Closing Conditions.** The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the County contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations hereunder, both as of the date hereof; and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2003 Bonds shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:



(a) The representations, warranties, covenants and agreements of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriters shall not have been supplemented or amended, except in any such case as may have been approved by the Underwriters;

(c) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Series 2003 Bonds and the Ordinance taken as of the date hereof shall be in full force and effect and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Underwriters prior to the Closing;

(d) [Reserved]

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) An opinion, dated the date of the Closing and addressed to the County, of Bryant, Miller and Olive, P.A., Tallahassee, Florida, and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, Co-Bond Counsel to the County, in substantially the form attached as Appendix "D" to the Official Statement, accompanied by a letter authorizing the Underwriters to rely thereon as though such opinion were addressed to the Underwriters;

(2) An opinion, dated the date of the Closing and addressed to the Underwriters, of Bryant, Miller and Olive, P.A., Tallahassee, Florida, and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, Co-Bond Counsel to the County, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and it is not necessary to qualify the Ordinance pursuant to the Trust Indenture Act of 1939, as amended; (ii) they have reviewed statements contained in the Official Statement under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2003 BONDS" and "SECURITY FOR THE SERIES 2003 BONDS", and on the cover page thereof relating to their opinion and therein under the heading "TAX TREATMENT"; and (iii) such statements (insofar as such statements constitute a summary of certain provisions of the Ordinance and the Series 2003 Bonds) present fair and accurate summaries of the provisions of the Ordinance and the Series 2003 Bonds purported to be summarized, and the information on the cover page relating to their opinion and under the heading "TAX TREATMENT" is correct;

(3) An opinion, dated the date of the Closing and addressed to the Underwriters, of Herbert Thiele, County Attorney, in the form attached hereto as Exhibit F.

(4) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Insurer, in such form as is mutually and reasonably acceptable to the County and the Underwriters and customarily delivered by counsel for the Bond Insurer;

(5) An opinion, dated the date of the Closing and addressed to the Underwriters, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, counsel for the Underwriters, in form and substance satisfactory to the Underwriters;

(6) A certificate, dated the date of the Closing, signed by the Chairman of the Board of County Commissioners or other authorized officer of the County in substantially the form attached hereto as Exhibit D (but in lieu of or in conjunction with such certificate the Underwriters may, in their sole discretion, accept certificates or opinions of Bryant, Miller and Olive, P.A., Tallahassee, Florida, and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, Co-Bond Counsel to the County, Herbert Thiele, the County Attorney, or of other counsel acceptable to the Underwriters, that in the opinion of such counsel the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(7) Certified copies of the proceedings of the County Commission of the County authorizing and approving the Ordinance;

(8) Two transcripts of all proceedings relating to the authorization and issuance of the Series 2003 Bonds certified by the Clerk of the County;

(9) Copy of the municipal bond insurance policy issued by \_\_\_\_\_ (the "Insurer") insuring payment of the Series 2003 Bonds;

(10) Evidence of a rating of "Aaa" from Moody's Investors Service and a "AAA" rating from Fitch on the Series 2003 Bonds, based upon the issuance of a municipal bond insurance policy securing payment on the Series 2003 Bonds by the Insurer;

(11) Copies of the executed Continuing Disclosure Certificate;

(12) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties, covenants and agreements of the County contained herein and the truth, accuracy and completeness of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of the Closing of all agreements then to be performed and conditions then to be satisfied by it.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters with such exceptions and modifications as shall be approved by the Underwriters and as such shall not in the opinion of the Underwriters materially impair the investment quality of the Series 2003 Bonds.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2003 Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2003 Bonds shall be terminated for any reason permitted by this Purchase Contract, this

Purchase Contract shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the County shall return the good faith check referred to in Paragraph 5 and the respective obligations of the County and the Underwriters set forth in Paragraph 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriters may terminate this Purchase Contract by notice to the County in the event that between the date hereof and the Closing (a) legislation shall be enacted by the Congress of the United States or introduced in or reported out of a committee of or adopted by either House thereof, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made, with respect to Federal or Florida taxation of revenues or other income of the general character expected to be derived by the County or upon interest received on securities of that general character of the Series 2003 Bonds or which would have the effect of changing, directly or indirectly, the Federal or Florida income tax consequences of receipt of interest on securities of the general character of the Series 2003 Bonds in the hands of the holders thereof, which in the reasonable opinion of the Underwriters would materially adversely affect the market price of the Series 2003 Bonds; (b) there shall have occurred any new outbreak of ongoing or threatened hostilities or substantial escalation thereof, or other national or international calamity or crisis, the effect of such outbreak, escalation, calamity or crisis being such as, in the sole judgment of the Underwriters, would materially and adversely affect the ability of the Underwriters to market the Series 2003 Bonds or to enforce contracts for the sale of the Series 2003 Bonds or has caused a material disruption in the market for the Series 2003 Bonds; (c) there shall be in force a general suspension of trading on the New York Stock Exchange as the result of an event affecting the national economy; (d) a general banking moratorium shall have been established by Federal, New York or Florida authorities; or (e) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriters, makes untrue or incorrect, as of such time, in any material respect, any material statement or information contained in the Official Statement or which is not reflected in the Official Statement, but should be reflected therein in order to make the statements and information contained therein not misleading as of such time.

**10. Expenses.** The Underwriters shall be under no obligation to pay, and the County shall pay at Closing or shortly thereafter, to the extent previously approved by the County any expenses incident to the performance of the obligations of the County hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Ordinance; (b) the cost of preparation and printing of the Series 2003 Bonds; (c) the fees and disbursements of Co-Bond Counsel and the County's Counsel; (d) the fees and disbursements of any experts, consultants or advisors retained by the County; (e) fees for bond ratings; (f) the premium for municipal bond insurance and cost of reserve policy, if any; (g) the fees and expenses of the Registrar, the Paying Agent and of their respective counsel; and (h) the costs of preparing, printing and delivering the Preliminary Official Statement, the Official Statement and any supplements or amendments to either of them; however, the County shall have no obligation to pay any fees, costs or other amounts relating to any supplements or amendments to the Official Statement to the extent such amendment or supplement is prepared after the period described in paragraph 2(c) hereof (provided that for purposes of this paragraph the end of the underwriting period shall be deemed to be the date of the Closing).

The Underwriters shall pay: (a) the cost of preparing, printing and delivering this Purchase Contract; (b) the cost of all "blue sky" and legal investment memoranda and related filing fees, (c) all advertizing expenses; (d) payment of underwriters' counsel fees, and (e) all other expenses incurred by them in connection with the public offering of the Series 2003 Bonds. In the event that either party shall have paid obligations of the other as set forth in this Section 10, adjustment shall be made at the time of the Closing.

**11. Notices.** Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing at its address sat forth above, and any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to A.G. Edwards & Sons, Inc., \_\_\_\_\_.

**12. Parties in Interest.** This Purchase Contract is made solely for the benefit of the County and the Underwriters (including the successors or assignees of the County or the Underwriters) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) at the delivery of and payment for the Series 2003 Bonds pursuant to this Purchase Contract; or (iii) any termination of this Purchase Contract but only to the extent provided by the last paragraph of Section 8 hereof.

**13. Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters, in their sole discretion, and the approval of the Underwriters when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Underwriters and delivered to you.

**14. Effectiveness.** This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Chairman or Vice-Chairman of the Board of County Commissioners and Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners and shall be valid and enforceable at the time of such acceptance.

**15. Counterparts.** This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**16. Headings.** The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

**17. Florida Law Governs.** The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Florida.

DRAFT

Attachment # 1  
Page 29 of 62

18. **Entire Agreement.** This Purchase Contract when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the County and the Underwriters (including the successors or assigns of the County or the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

A.G. Edwards & Sons, Inc.,  
on behalf of the Underwriters

Accepted by:

BOARD OF COUNTY COMMISSIONERS  
OF LEON COUNTY, FLORIDA

By: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman

[SEAL]

\_\_\_\_\_  
By: \_\_\_\_\_  
Clerk of the Circuit Court

## EXHIBIT A

### TERMS OF THE SERIES 2003A BONDS

| <u>Maturity</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Amount</u> | <u>Interest</u><br><u>Rate</u> | <u>Yield or</u><br><u>Price</u> |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------|

### TERMS OF THE SERIES 2003B BONDS

| <u>Maturity</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Amount</u> | <u>Interest</u><br><u>Rate</u> | <u>Yield or</u><br><u>Price</u> |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------|

### REDEMPTION PROVISIONS

#### Mandatory Redemption

The Series 2003A Bonds due October 1, 20\_\_ are subject to mandatory sinking fund redemption by lot prior to maturity in such manner as shall be determined by the Paying Agent, in the years and amounts set forth below at a price equal to 100% of principal amount thereof plus accrued interest to the redemption date.

| <u>Year</u> | <u>Principal</u><br><u>Amount</u> |
|-------------|-----------------------------------|
|-------------|-----------------------------------|

\_\_\_\_\_

\*Final Maturity

The Series 2003B Bonds due October 1, 20\_\_ are subject to mandatory sinking fund redemption by lot prior to maturity in such manner as shall be determined by the Paying Agent, in the years and amounts set forth below at a price equal to 100% of principal amount thereof plus accrued interest to the redemption date.

| <u>Year</u> | <u>Principal</u><br><u>Amount</u> |
|-------------|-----------------------------------|
|-------------|-----------------------------------|

\_\_\_\_\_

\*Final Maturity

#### Optional Redemption

The Series 2003A Bonds maturing on or prior to October 1, 20\_\_, shall not be subject to redemption prior to their respective stated dates of maturity. The Series 2003A Bonds stated to mature on October 1, 20\_\_ and thereafter, are subject to redemption prior to their respective dates

of maturity at the option of the County in whole on any date, or in part, in such order of maturity as the County may designate (and by lot within a single maturity), on October 1, 20\_\_, or on any Interest Payment Date thereafter, at the respective redemption prices set forth below expressed as percentages of the principal amount to be redeemed, plus accrued interest to the date of redemption.

| <u>Redemption Period</u>                   | <u>Redemption Price</u> |
|--|-------------------------|
| October 1, 20__ through September 30, 20__ | 101%                    |
| October 1, 20__ and thereafter             | 100                     |

The Series 2003B Bonds maturing on or prior to October 1, 20\_\_, shall not be subject to redemption prior to their respective stated dates of maturity. The Series 2003A Bonds stated to mature on October 1, 20\_\_ and thereafter, are subject to redemption prior to their respective dates of maturity at the option of the County in whole on any date, or in part, in such order of maturity as the County may designate (and by lot within a single maturity), on October 1, 20\_\_, or on any Interest Payment Date thereafter, at the respective redemption prices set forth below expressed as percentages of the principal amount to be redeemed, plus accrued interest to the date of redemption.

| <u>Redemption Period</u>                   | <u>Redemption Price</u> |
|--|-------------------------|
| October 1, 20__ through September 30, 20__ | 101%                    |
| October 1, 20__ and thereafter             | 100                     |

EXHIBIT B  
DISCLOSURE STATEMENT

June \_\_, 2003

Ladies and Gentlemen:

In connection with the proposed issuance by the Board of County Commissioners of Leon County, Florida ("County") of \$\_\_\_\_\_ Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and \$\_\_\_\_\_ Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds," collectively with the Series 2003A Bonds, the "Series 2003 Bonds"), A.G. Edwards & Sons, Inc. and Jackson Securities, LLC, (the "Underwriters"), have agreed to underwrite a public offering of the Series 2003 Bonds. Arrangements for underwriting the Series 2003 Bonds will include a Purchase Contract between the County and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(4) Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the underwriting of the Series 2003 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters and paid by the Underwriters in connection with the purchase and offering of the Series 2003 Bonds are set forth in Schedule I attached hereto.

(b) No person has entered into an understanding with the Underwriters, or to the knowledge of the Underwriters, with the County for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriters or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2003 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is \$\_\_\_\_\_ per thousand which includes a management fee of \$\_\_\_\_\_ per thousand.

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Series 2003 Bonds to any person not regularly employed or retained by the Underwriters (including any "finder", as defined in Section 218.386(1)(a) Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriter, as set forth in Schedule I attached hereto.

(e) The name and address of the Underwriters is set forth below:

A.G. Edwards & Sons, Inc.  
\_\_\_\_\_  
\_\_\_\_\_

We understand that you do not require any further disclosure from the Underwriters, pursuant to Section 218.385(4), Florida Statutes, as amended.

Very truly yours,



**DRAFT**

Attachment # 1  
Page 33 of 60

**A.G. EDWARDS & SONS, INC.,**  
on behalf of the Underwriters

By: \_\_\_\_\_

## SCHEDULE I

### Underwriters' Expenses

#### Breakdown of underwriting spread:

(per \$1,000)

Takedown  
Management Fee  
Expenses

Total Spread

#### Expenses:

Computer/Structuring  
CUSIP  
PSA  
Day Loan  
Underwriter's Counsel  
Dalnet  
Miscellaneous

Total Expenses

## EXHIBIT C

[DATE OF CLOSING]

Board of County Commissioners  
of Leon County, Florida  
Tallahassee, Florida

\$  
LEON COUNTY, FLORIDA  
Capital Improvement Revenue Bonds, Series 2003A

\$  
LEON COUNTY, FLORIDA  
Taxable Capital Improvement Revenue Bonds, Series 2003B

Ladies and Gentlemen:

The undersigned, as representative of the Underwriters in connection with the sale of the above-referenced Series 2003 Bonds, hereby represents that:

All of the Series 2003 Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, made pursuant to the Purchase Contract between Leon County, Florida (the "County") and the Underwriters, at prices no higher than, or yields no lower than, those shown on the cover of the Official Statement relating to the Series 2003 Bonds. To the best of our knowledge, based on our records and other information available to us which we believe to be correct, at least 10% of the Series 2003 Bonds of each maturity were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at such prices.

2. The funding of the Series 2003 Reserve Fund securing the Series 2003 Bonds (whether in cash and investments or by a surety policy) in an amount equal to the Reserve Requirement was a vital factor in marketing the Series 2003 Bonds and facilitated the marketing of the Series 2003 Bonds at interest rates comparable to those of other bond issues of a similar type, and was a requirement for obtaining the municipal bond insurance policy ("Policy").

3. The present value of the premiums paid to obtain the Policy from \_\_\_\_\_ is less than the present value of the interest reasonably expected to be saved as a result of the insurance. In determining such present value savings, the yield of the Series 2003 Bonds was used as the discount rate. The Series 2003 Bonds are or will be rated in the highest category by a nationally recognized rating agency. It is not reasonably expected that \_\_\_\_\_ will be called upon to make any payment under the Policy.

**A.G. EDWARDS & SONS, INC.**

DRAFT

Attachment # 1  
Page 36 of 60

By: \_\_\_\_\_

## EXHIBIT D

### CERTIFICATE OF THE COUNTY

[DATE OF CLOSING]

A.G. Edwards & Sons, Inc.

Jackson Securities, LLC  
Atlanta, Georgia

Bryant, Miller and Olive, P.A.  
Tallahassee, Florida

Knowles, Marks & Randolph, P.A.  
Tallahassee, Florida

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

Ladies and Gentlemen:

The undersigned as Chairman of the Board of County Commissioners of Leon County, Florida and the Clerk of the Court of Leon County, Florida (the "County") hereby certify, to the best of their knowledge as follows in connection with the issuance and sale of its \$ \_\_\_\_\_ Leon County, Florida, Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and \$ \_\_\_\_\_ Leon County, Florida, Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds," collectively with the Series 2003A Bonds, the "Series 2003 Bonds"). All terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract (the "Purchase Contract"), dated as of June \_\_, 2003, by and between A.G. Edwards & Sons, Inc., as representative of the Underwriters (the "Underwriters") and the County.

(A) The representations of the County in the Preliminary Official Statement and the Official Statement are true and correct in all material respects as of the date of Closing;

(B) The County has performed all obligations to be performed hereunder as of the date of Closing;

(C) Except as disclosed in the Official Statement, there is no litigation of which either of them have notice, and no litigation is pending or to the best knowledge of each of them threatened (1) to restrain or enjoin the issuance or delivery of any of the Series 2003 Bonds, (2) in any way contesting or affecting any authority for the issuance of the Series 2003 Bonds or the validity of the Series 2003 Bonds, the Ordinance, the Continuing Disclosure Certificate or the Purchase Contract, (3) in any way contesting the corporate existence or powers of the County, (4)

to restrain or enjoin the funds pledged or to be pledged to pay the principal of, interest and premium, if any, on the Series 2003 Bonds, (5) which may result in any material adverse change in the business, properties, assets and the financial condition of the County taken as a whole, or (6) asserting that the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in the light of the circumstances under which they were made not misleading;

(D) Since September 30, 2002, no material adverse change has occurred in the financial position or results of operations of the County except as set forth in or contemplated by the Official Statement;

(E) The County has not, since September 30, 2002, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(F) The County has not, since 1975, been in default on any bonds or other debt obligations of the County; and

(G) The Official Statement did not as of its date, and does not as of the Date of Closing contain any untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

**BOARD OF COUNTY  
COMMISSIONERS OF LEON COUNTY,  
FLORIDA**

\_\_\_\_\_  
Chairman

(SEAL)

\_\_\_\_\_  
Clerk of the Circuit Court

## EXHIBIT E

### PROPOSED OPINION OF ISSUER'S COUNSEL

[Date of Closing]

A.G. Edwards & Sons, Inc.

Jackson Securities, LLC  
Atlanta, Georgia

Board of County Commissioners  
of Leon County, Florida  
Tallahassee, Florida

I am counsel to Leon County, Florida (the "Issuer") and have acted as such in connection with the enactment by the Issuer of an Ordinance on April 29, 2003 (the "Ordinance"), authorizing the issuance of the Issuer's Capital Improvement Revenue Bonds, Series 2003A in the aggregate principal amount of \$ \_\_\_\_\_ and the Issuer's Taxable Capital Improvement Revenue Bonds, Series 2003B (collectively, the "Bonds").

I am rendering this opinion pursuant to the Purchase Contract (the "Bond Purchase Agreement") dated June \_\_, 2003 between A.G. Edwards & Sons, Inc., on behalf of the Underwriters named therein and the Issuer. All terms not otherwise defined in this opinion shall have the meanings ascribed to them in the Ordinance or the Bond Purchase Agreement, as the case may be.

I have examined the Ordinance, the Bond Purchase Agreement, the Official Statement, dated \_\_\_\_\_, 2003 (the "Official Statement") and the Continuing Disclosure Certificate (as defined in the Official Statement), relating to the Bonds and such other proofs and documents as we have deemed necessary to enable us to render the following opinion. The Bonds, the Bond Purchase Agreement, the Continuing Disclosure Certificate and the Official Statement are hereinafter referred to as the "Financing Documents."

Based on the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing political subdivision of the State of Florida with authority to execute and deliver the Financing Documents to be executed and delivered by the Issuer.
2. The Ordinance has been duly enacted at a meeting of the Issuer duly called and held in accordance with law and at which quorums were present and acting throughout, and that the Ordinance and any resolutions relating to the execution and delivery of the Financing Documents remain in full force and effect and have not been amended or modified in any respect.

3. The Issuer has duly authorized, executed and delivered the Official Statement and authorized the distribution of the Official Statement and the use thereof by the Underwriters in connection with the public offering of the Bonds.

4. The Ordinance has been duly enacted by the Issuer and constitutes a binding and valid agreement of the Issuer that is enforceable in accordance with its terms, except to the extent that the enforceability and binding effect of any of the provisions of the Ordinance or of any rights pursuant thereto, are subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by application of general principles of equity (regardless of whether such enforceability is sought in a proceeding in equity or at law) and except to the extent that enforceability of the indemnification provisions in the Financing Documents may be limited by federal or state law.

5. To our knowledge, no provision of the Ordinance results in or constitutes a default under any agreement, indenture or other instrument to which the Issuer is a party or by which it may be bound.

6. The Issuer's enactment of the Ordinance is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority required on the date of this opinion and not theretofore obtained or effected.

7. Assuming proper execution and delivery, the Bond Purchase Agreement constitutes a valid and binding limited obligation of the Issuer in accordance with its terms, except to the extent that the enforceability and binding effect of any of the provisions of the Bond Purchase Agreement or of any rights pursuant thereto, are subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by application of general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law).

8. The execution and delivery of the Financing Documents and compliance with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect constitute on the part of the Issuer a breach of or default under any indenture, deed of trust, mortgage, agreement, or other instrument of which such counsel has knowledge and to which the Issuer is a party, or, to such counsel's knowledge, do not materially conflict with, violate, or result in a breach of any existing law.

9. The information and statements relating to the Issuer (except the statistical and financial information and the statements thereon, as to which no opinion is expressed) contained in the Official Statement under the captions entitled "INTRODUCTION," "LITIGATION" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" are true, correct and complete in all material respects.

10. Without undertaking to investigate or determine independently the accuracy or completeness or to verify the information furnished with respect to matters described in the Official Statement, except as provided in paragraph (9) above, but on the basis of only our information gained in the ordinary course of our representation of the Issuer, nothing has come to our attention that would lead us to believe that either the Official Statement when read in conjunction with Appendix C -- The Ordinance thereto (except for the financial and statistical data and the statements related thereto and the information contained under the captions "MUNICIPAL BOND INSURANCE," and "TAX TREATMENT," as to which no opinion is expressed) contains an untrue



statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

11. Except as disclosed in the Official Statement, there is no action, suit or proceeding, at law or in equity before or by any court, or, to our knowledge, any governmental investigation pending or threatened against the Issuer (a) challenging the validity of the Financing Documents or the transactions described thereby, or (b) the collection of revenues pledged under the Ordinance or (c) challenging the accuracy or completeness of the Official Statement or the validity of the transactions described therein, or (d) challenging the existence or powers of the Issuer or the titles of its officers to their respective offices or (e) which, if determined adversely to the Issuer or its interests, would have a material adverse effect upon the consummation of the transactions described in, or the validity of, the Financing Documents, or upon the financial condition, assets, properties or operations of the Issuer.

The portions of this opinion made with respect to the Financing Documents are made subject to the terms and conditions expressed in such agreements. In rendering this opinion, I am acting as an expert only as to matters arising under Florida law.

Respectfully submitted,

**DRAFT**

Attachment # 1  
Page 42 of 60

Exhibit "B"

Reserve Fund Agreement

**DEBT SERVICE RESERVE FUND POLICY AGREEMENT**

AGREEMENT, dated as of [Closing Date], by and between Leon County, Florida (the "Issuer") and Financial Guaranty Insurance Company (the "Insurer").

In consideration of the issuance by the Insurer of its Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy") with respect to the Issuer's Capital Improvement Revenue Bonds, Series 2003, together with any parity obligations secured by the same debt service reserve fund (the "Bonds"), issued under the document authorizing the issuance of the Bonds, as amended and supplemented (the "Authorizing Document") and the Issuer's payment to the Insurer of the insurance premium for the Reserve Policy, the Insurer and the Issuer hereby covenant and agree as follows:

1. Upon any payment by the Insurer under the Reserve Policy, the Insurer shall furnish to the Issuer written instructions as to the manner in which repayment of amounts owed to the Insurer as a result of such payment shall be made.
2. The Issuer shall repay the Insurer the principal amount of any draws under the Reserve Policy and related reasonable expenses incurred by the Insurer and shall pay interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law.
3. Repayment of draws, expenses and the interest thereon (collectively, "Policy Costs") shall enjoy the same priority as the obligation to maintain and refill the reserve fund.
4. Payment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw.
5. Amounts paid to the Insurer shall be credited first to interest due under the Reserve Policy and hereunder, then to the expenses due hereunder and then to principal due under the Reserve Policy and hereunder. As and to the extent that payments are made to the Insurer on account of principal due under the Reserve Policy and hereunder, the coverage under the Reserve Policy will be increased by a like amount.
6. If the Issuer shall fail to repay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, the Insurer shall be entitled to exercise any and all remedies available at law or under the Authorizing Document other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect Bondholders.
7. The Issuer shall ascertain the necessity for a claim upon the Reserve Policy and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least two business days prior to each date upon which interest or principal is due on the Bonds.
8. All cash and investments in the reserve fund shall be utilized for making required transfers to the debt service fund for payment of debt service on the Bonds before making any draws on any alternative credit instrument. Repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments on which there is available coverage shall be made on a pro rata basis (calculated by reference to coverage then available under each such alternative credit instrument) after applying available cash and investments in the reserve fund. Repayment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a

- pro rata basis (calculated by reference to the coverage then available under each such alternative credit instrument) prior to replenishment of any cash draws on the reserve fund.
9. The Authorizing Document shall not be modified or amended without the prior written consent of the Insurer.
  10. The Authorizing Document shall not be discharged until all Policy Costs owing to Financial Guaranty shall have been paid in full.
  11. As security for the Issuer's repayment obligations with respect to the Reserve Policy, to the extent that the Authorizing Document pledges or grants a security interest in any revenues or collateral of the Issuer (or other obligor) as security for the Bonds, the Issuer hereby pledges and grants a security interest in all such revenues and collateral, subordinate only to that of the Bondholders. The Issuer shall evidence the Insurer's pledge or security interest by the filing of appropriate Uniform Commercial Code financing and continuation statements.
  12. The rate covenant and the additional bonds test (in each case, if applicable) in the Authorizing Document shall be calculated with at least one times coverage of the Issuer's obligations with respect to repayment of Policy Costs then due and owing. Furthermore, no additional bonds may be issued under the Authorizing Document without the Insurer's prior written consent if any Policy Costs are past due and owing to the Insurer.
  13. The Issuer shall provide Financial Guaranty with the following information:
    - (a) Notice of any drawing upon or deficiency due to market fluctuation in the amount, if any, on deposit, in the debt service reserve fund;
    - (b) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934;
    - (c) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Bonds, or of any advance refunding of the Bonds, including the principal amount, maturities and CUSIP numbers thereof; and
    - (d) Such additional information as Financial Guaranty may reasonably request from time to time.
  14. Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing): Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Risk Management.
  15. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
  16. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.
  17. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

18. This Agreement and the rights and obligations of the parties of the Agreement shall be governed by and construed and interpreted in accordance with Florida law.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date written above.

LEON COUNTY, FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FINANCIAL GUARANTY INSURANCE  
COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DRAFT

Attachment # 1  
Page 46 of 60

Exhibit "C"

Disclosure Dissemination Agent Agreement

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of June \_\_\_\_, 2003, is executed and delivered by the Leon County, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means June 30<sup>th</sup> of each year.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Finance Director or his designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

"Notice Event" means an event listed in Sections 4(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.  
One Executive Drive  
Fort Lee, New Jersey 07024  
(201) 346-0701 (phone)  
(201) 947-0107 (fax)  
Email: nrmsir@dpcdata.com
2. Interactive Data  
Attn: Repository  
100 Williams Street  
New York, New York 10038  
(212) 771-6999 (phone)  
(212) 771-7390 (fax for secondary market information)  
(212) 771-7391 (fax for primary market information)  
Email: NRMSIR@FTID.com
3. Bloomberg Municipal Repositories  
P.O. Box 840  
Princeton, New Jersey 08542-0840  
(609) 279-3225 (phone)  
(609) 279-5962 (fax)  
Email: Munis@Bloomberg.com



4. Standard & Poor's J.J. Kenny Repository  
55 Water Street  
45<sup>th</sup> Floor  
New York, New York 10041  
(212) 438-4595 (phone)  
(212) 438-3975 (fax)  
Email: nrmsir\_repository@sandp.com

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Repository" means the MSRB, each National Repository and the State Depository (if any).

"State Depository" means any public or private depository or entity designated by the State of Florida as a state information depository (if any) for the purpose of the Rule. The list of state information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository. Currently, the following depositories are listed by the Securities and Exchange Commission as available State Depositories:

1. Municipal Advisory Council of Michigan  
1445 First National Building  
Detroit, Michigan 48226-3517  
(313) 963-0420 (phone)  
(313) 963-0943 (fax)
2. Municipal Advisory Council of Texas  
600 W. Eighth Street  
PO Box 2177  
Austin, TX 78701  
(512) 476-6947 (phone)  
(512) 476-6403 (fax)
3. Ohio Municipal Advisory Council  
9321 Ravenna Road, Unit K  
Twinsburg, OH 44087-2445  
(330) 963-7444 (phone)  
(800) 969-OMAC (6622) (phone)  
(330) 963-7553 (fax)

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any) not later than the Annual Filing Date, commencing with the Annual Report for the fiscal year ending September 30, 2003. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

- (i) determine the name and address of each Repository each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);
- (iv) upon receipt, promptly file the text of each disclosure to be made with each National Repository or the MSRB and the State Depository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
  - 1. "Principal and interest payment delinquencies," pursuant to Sections 4(c) and 4(a)(1);
  - 2. "Non-Payment related defaults," pursuant to Sections 4(c) and 4(a)(2);
  - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(3);
  - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(4);
  - 5. "Substitution of credit or liquidity providers, or their failure to perform," pursuant to Sections 4(c) and 4(a)(5);
  - 6. "Adverse tax opinions or events affecting the tax-exempt status of the security," pursuant to Sections 4(c) and 4(a)(6);
  - 7. "Modifications to rights of securities holders," pursuant to Sections 4(c) and 4(a)(7);
  - 8. "Bond calls," pursuant to Sections 4(c) and 4(a)(8);
  - 9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);
  - 10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);
  - 11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);
  - 12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;
  - 13. "Other material event notice (specify)," pursuant to Sections 4 (c) 4 (a)(13) and of this Agreement, together with the summary description provided by the Disclosure Representative.

- (v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings:

(i) To the extent not included in the Issuer's Comprehensive Annual Financial Report which is submitted as part of the Annual Report:

- 1) Historical Sales Tax Collections
- 2) Sales Tax Distributions to the County
- 3) State of Florida Revenue Sharing Trust Fund for Counties Receipts of Guaranteed Entitlement/Second Guaranteed Entitlement
- 4) Leon County, Florida Debt Service Coverage on Prior Bonds, Parity Bonds and Series 2003 Bonds

(b) Audited Financial Statements prepared in accordance with Generally Accepted Accounting Principles, as modified ("GAAP") as described in the Official Statement will be included in the Annual Report. Unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4.     Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5.     Substitution of credit or liquidity providers, or their failure to perform;
6.     Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7.     Modifications to rights of Bond holders;
8.     Bond calls;
9.     Defeasances;
10.    Release, substitution, or sale of property securing repayment of the Bonds;
11.    Rating changes on the Bonds;
12.    Failure to provide annual financial information as required; and
13.    Other material event notice (specify).

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b)    The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c)    If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the

Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws

acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of New York (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]



**DRAFT**

Attachment # 1  
Page 57 of 60

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Leon County, Florida, as Issuer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer Leon County, Florida  
Obligated Person(s) Leon County, Florida  
Name of Bond Issue: Capital Improvement Revenue Bonds, Series 2003A  
Taxable Capital Improvement Revenue Bonds, Series 2003B  
Date of Issuance: June 6, 2003  
Date of Official Statement May \_\_, 2003

|                     |                     |
|---------------------|---------------------|
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |
| CUSIP Number: _____ | CUSIP Number: _____ |

## EXHIBIT B

### NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer Leon County, Florida

Obligated Person(s): Leon County, Florida

Name of Bond Issue: Leon County, Florida Capital Improvement Revenue Bonds, Series 2003A and Leon County, Florida Taxable Capital Improvement Revenue Bonds, Series 2003B

Date of Issuance: June 6, 2003

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of June \_\_\_\_, 2003, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Issuer

\_\_\_\_\_

cc: Issuer  
Obligated Persons

**EXHIBIT C**  
**MATERIAL EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached material event notice:

Description of Material Events Notice (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-Payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of securities holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the securities
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required
13. ☐ Other material event notice (specify) \_\_\_\_\_

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Employer: Digital Assurance Certification, L.L.C.

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Voice Telephone Number: \_\_\_\_\_

Please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice.